

Appln. No. 09/927,462
Amendment dated March 9, 2004
Reply to Office Action of December 18, 2003

REMARKS/ARGUMENTS

Claims 36-54 are currently pending. Applicant's responses to the Examiner's rejections are set forth fully below.

The invention relates to a reward attributed to an account of a tagholder, where the tagholder is associated with both the tag and the account. The reward is based on the aggregate tag usage. This reward is separate from, and is determined independently of, the underlying account usage. Further, the reward is based on aggregate tag usage which may be accumulated based on the purchase of goods or services at multiple merchants.

A. Claim Rejections Under 35 U.S.C. § 103.

Claims 36, 39-41, 44-47 and 50-54 have been rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, Jr., U.S. Patent No. 6,078,888, ("Johnson") in view of Walker et. al., U.S. Patent No. 6,128,599 ("Walker"). See Office Action at 2. Claims 42 and 43 have been rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Akiyama, U.S. Patent No. 5,745,049 ("Akiyama"). See Office Action at 6. Claims 48 and 49 have been rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Ricci et. al., U.S. Patent No. 6,463,039 ("Ricci"). See Office Action at 6-7. Claims 37 and 38 have been rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Khan et. al., U.S. Patent No. 6,263,316 ("Khan"). See Office Action at 7-8. Applicant submits that the cited references do not disclose each and every limitation of claims 36-54, as originally written or as amended, and that this rejection should be withdrawn for failure to make a *prima facie* case of obviousness.

1. Claims 36, 39-41, 44-47 and 50-54.

Claims 36, 39-41, 44-47 and 50-54 have been rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson in view of Walker. See Office Action at 2. The Examiner concludes as the basis for this rejection that it would have been obvious for one of ordinary skill in the art to employ the method of "processing customized group reward offers" of Walker with the "tags . . . having association with a credit/debit card of Johnson." See Office Action at 4. Applicant submits that Johnson in conjunction with Walker does not disclose a reward attributed

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to a tagholder based on aggregate tag usage for a tag associated with the tagholder and an underlying account, separate from any reward that may be awarded based on the underlying account usage or that may be awarded by a particular business based on aggregate tag usage at that business.

- a. **Johnson discloses a reward in a loyalty program based only on aggregate tag usage at the business that sponsors the loyalty program.**

The Examiner asserts that Johnson discloses a tag linked to a credit card to pay for services, goods and/or tolls that may be prefunded with a preset amount. *See* Office Action at 2. The prefunded amount may be replenished if it reaches lower than a predetermined limit. *See* Office Action at 2. According to the Examiner, the tag may be used in association with a loyalty program where customers collect bonus points based on the aggregate tag usage which can be redeemed for benefits or privileges. *See* Office Action at 2. The Examiner explains that different tags having different usages may be linked to a single credit card, which could result in accelerated accumulation of air mileages, purchasing gas at discounted prices, more charitable donations or the like. *See* Office Action at 3.

Johnson discloses a RFID device adapted to communicate with a POS device to provide secure transactions. *See* Abstract. The device communicates bi-directionally with the POS device, and the POS device communicates with a host network to provide authorization of the tag and carry out purchases or transactions. *See* col. 2 at lines 62-67. Each tag is provided a unique identifier, and the host network maintains account and financial information associated with the tag having the unique identifier. *See* col. 3 at lines 12-15. The tag is authenticated using cryptographic techniques known only by the tag and the host, but not the POS device. *See* col. 3 at lines 22-24. This is done by encryption of a random number by the tag, where the POS device provides the random number, and transmission of the original random number and the encrypted random number to the host. *See* col. 3 at lines 29-36. The host encrypts the original random number, and compares it to the received encrypted random number. *See* col. 3 at lines 36-44. A positive match authenticates the tag. *See id.* Relevant to this rejection is the disclosure in Johnson that the tag may communicate with other sources, such as at a restaurant or other goods or services provider. *See* col. 2 at lines 22-34. These businesses may provide loyalty

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points that relate to the number of visits or amount of purchase at those businesses by the tagholder. *See* col. 2 at lines 34-41. These loyalty points may be stored and accumulated in a memory on the tag. *See* col. 4 at lines 25-36; col. 12 at lines 10-14. The tag of Johnson allows access to a plurality of accounts. *See* col. 2 at lines 17-21.

There is no disclosure in Johnson of a reward based on aggregate tag usage of a tag regardless of point of purchase. Rather, Johnson discloses loyalty benefits awarded to a tagholder based only on aggregate tag usage at the business of the sponsor of the loyalty program. The Examiner states that Johnson "discloses that the bonus points may be redeemed as desired for benefits or privileges at the fuel station or any other local source," and that, based on this statement, Johnson "does not limit the redemption of points aggregated by usages of the tag." *See* Office Action at 9.

Applicant respectfully disagrees that Johnson's disclosure of a "loyalty program" discloses the invention of claims 36, 50 and 54. The invention is not related to a "loyalty program" that encourages a customer to repeat business at a particular business because he or she is offered benefits and privileges based on his or her volume of business at that particular business. *See, e.g.*, U.S. Patent No. 6,549,912 B1 at col. 1, lines 11-13 ("Many businesses currently make use of so-called 'loyalty' programs that reward customers for frequent purchase of the business's products or services."); U.S. Patent No. 6,486,768 B1 at col. 2, lines 1-3 ("One method increasingly used by retailers to encourage repeat business is a frequent shopper program, also known as a reward or loyalty program.") These patents are attached as Exhs. A and B, respectively.

Johnson's description of a "loyalty program" is consistent with the common understanding of the term, "loyalty program," in that it encourages further purchases from or visits to the particular business that awards the loyalty points, based on number of visits and purchases. *See, e.g.*, col. 2 at lines 34-37 ("businesses may want to provide loyalty points for a tag holder relating to the number of visits or amount of goods or services purchased.") This understanding is consistent with other parts of Johnson's disclosure as well, where Johnson expressly indicates that the loyalty points that are stored on the tag of the invention are specific to the particular business that grants the loyalty points. *See* col. 2 at lines 30-34 ("service

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stations or restaurants may want to access various types of non-confidential information on the tag to determine identification or other information relating to *their particular business* . . .

[b]ased on this information, the businesses may want to provide loyalty points for a tag holder relating to the number of visits or amount of goods or services purchased.”) (emphasis added).

There is no indication in Johnson that the terms “loyalty programs” and “loyalty points” are defined in any other than their ordinary and accustomed meaning.

Johnson’s disclosure of a loyalty program does not disclose the reward of claims 36, 50 and 54 for at least the reason that the reward of claims 36, 50 and 54 do not encourage repeat business by a customer at a particular business, as does the loyalty program described in Johnson. Rather, the inventions of claims 36, 50 and 54 reward the tag holder based on aggregate use of tag, with no limitation on where the tag may be used in order to be rewarded.

The Examiner further asserts that there is no limitation in the claims that loyalty points are awarded based on aggregate tag usage regardless of point of purchase. See Office Action at 9. Applicant respectfully submits that each of independent claims 36, 50 and 54 includes the limitation “aggregate tag usage,” and also bases a reward on “aggregate tag usage.” The term “aggregate” in its ordinary and accustomed meaning is defined as “the whole sum or amount, sum total.” See MERRIAM WEBSTER’S COLLEGIATE DICTIONARY, 10th ed.. (1993) at 23 (attached as Exh. C). Thus, the term “aggregate tag usage” refers to the sum total usage of the tag. Applicant respectfully submits that the use of the term “aggregate” in claims 36, 50 and 54 encompasses all uses of the tag, regardless of point of purchase, since it is not limited to aggregate usage at only a particular point of purchase.

b. Walker discloses a reward attributed to an affinity group sponsor of an account.

Walker discloses “an apparatus for providing and managing a customized reward offer to an affinity group sponsor based on the aggregate performance of members of the group.” See Abstract. According to Walker, credit card accounts are often sponsored by an affinity partner, such as a trade group, an alumni association, a religious organization, a sports team or a professional association. See col. 1 at lines 30-39. The affinity group sponsor benefits from usage of the credit card accounts that belong to the affinity group partner that sponsors the

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account. *See* col. 1 at lines 23-29. In Walker, the reward provided to the affinity group may be based on aggregate performance data of the financial accounts controlled by members of the affinity group, or comparing aggregate performance of accounts controlled by members of the affinity group to a target performance. *See* col. 2 at line 50 to col. 3 at line 6. The object of the invention of Walker is to promote the use of financial accounts and to allow a credit card issuer to tailor rewards provided to affinity groups. *See* col. 3 at lines 12-14.

The Examiner further asserts that Walker discloses a method for calculating and attributing a customized reward to an affinity group of credit card holders. *See* Office Action at 3. The affinity group or a member of the affinity group may receive a predetermined reward. *See id.*

There is no disclosure in Walker of a reward awarded to an accountholder based on aggregate account usage, or to a tagholder based on aggregate tag usage for a tag associated with an account.

- c. **The reward of the invention is based on aggregate tag usage, and is awarded to the tag holder based on purchases of goods or services from multiple merchants.**

Applicant respectfully submits that Johnson does not disclose a reward to tag holders based on aggregate tag usage, but rather references loyalty programs in their ordinary and accustomed sense in that loyalty points are awarded to tag holders by businesses for visits or purchases made at their particular business to encourage repeat business at that particular business. The invention is also distinguishable from Walker, which discloses rewards provided to the affinity group sponsor of credit card accounts. The reward of the invention is attributed to the *tagholder* and not the *affinity group sponsor* of the underlying account.

Further, independent claims 36, 50 and 54 expressly claim a reward based on "aggregate tag usage," which in the ordinary and accustomed meaning of the word "aggregate" refers to all tag usage, without limiting tag usage to a particular business. Applicant has amended claims 50 and 54 to reference the purchase of goods or services at multiple merchants in response to the Examiner's assertion that claims 50 and 54 claims tag usage "from one or more merchants." *See* Office Action at 9.

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Applicant respectfully submits that a combination of Johnson and Walker does not disclose each and every limitation of independent claims 36, 50 and 54, and specifically does not disclose a reward based on aggregate tag usage for goods and services purchased from multiple merchants. These references therefore cannot support a *prima facie* case of obviousness against these claims, or dependent claims 39-41, 44-47 and 51-53 which depend from these claims.

2. Claims 42 and 43.

Claims 42 and 43 have been rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Akiyama. *See* Office Action at 6. The Examiner explains that Johnson and Walker disclose all of the elements of the claimed invention except for the plurality of tags and that the tags comprise an LED and LCD. *See* Office Action at 6. According to the Examiner, Akiyama discloses a tag using LED and LCD, and that it would have been obvious to one of ordinary skill in the art to have substituted the tag disclosed in Johnson as modified by Walker with the tag disclosed in Akiyama. *See* Office Action at 6.

With respect to claims 42 and 43, Applicant submits that Johnson in view of Walker and further in view of Akiyama does not disclose each and every element of independent claim 36, from which claims 42 and 43 depend. *See* Sec. A.1 *supra*. Therefore, this combination of elements cannot support a *prima facie* case of obviousness and this rejection should be withdrawn.

3. Claims 48 and 49.

Claims 48 and 49 have been rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Ricci. *See* Office Action at 6-7. The Examiner explains that Johnson and Walker disclose all of the elements of the claimed invention except for the plurality of tags and the mode of operation of the tags. *See* Office Action at 7. According to the Examiner, Ricci discloses a tag that operates in full-duplex communications mode, and that transponders inherently operate in half-duplex mode communication type. *See id.* Therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art to have incorporated the tag capable of operating in full duplex mode as disclosed in Ricci for the purpose of increasing the amount of data exchanged using the

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same amount of time. *See id.* at 7.

With respect to claims 48 and 49, Applicant submits that Johnson in view of Walker and further in view of Ricci does not disclose each and every element of independent claim 36, from which claims 48 and 49 depend. *See* Sec. A.1 *supra*. Therefore, this combination of elements cannot support a *prima facie* case of obviousness and this rejection should be withdrawn.

4. Claims 37 and 38.

Claims 37 and 38 have been rejected as allegedly unpatentable under 35 U.S.C. § 103(a) over Johnson, as modified by Walker and further in view of Khan. *See* Office Action at 7-8. The Examiner explains that Johnson and Walker disclose all of the elements of the claimed invention except for the plurality of tags and that the tags comprise a sound-generating device. *See* Office Action at 8. According to the Examiner, Khan discloses a transponder that comprises a sound generating device. *See id.* Therefore, the Examiner asserts that it would have been obvious to one of ordinary skill in the art to have incorporated the tag capable of generating an audible tone or message along with a visual message as disclosed in Khan. *See id.*

With respect to claims 37 and 38, Applicant submits that Johnson in view of Walker and further in view of Khan does not disclose each and every element of independent claim 36, from which claims 37 and 38 depend. *See* Sec. A.1 *supra*. Therefore, this combination of elements cannot support a *prima facie* case of obviousness and this rejection should be withdrawn.

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CONCLUSION

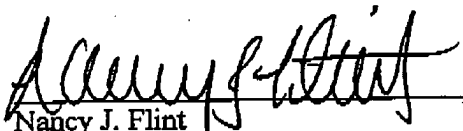
Applicant respectfully submit that claims 36-54, as amended, are in condition for allowance and earnestly solicits the same in view of the amendments and remarks made herein. This Amendment and Response has been submitted within three months of the mailing date of the Office Action, and it is believed that no fees are due upon filing. If any fees are determined to be due, please charge the fees to the undersigned's Deposit Account No. 50-0206.

Respectfully submitted,

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